

STATEWIDE WATER ADVISORY GROUP MEETING SUMMARY

Meeting Number 1, May 5, 2006, 10:00 AM to 12:00 PM

I. Introduction

Herb Guenther opened the meeting by welcoming everyone and providing a brief overview of some of the issues that initiated the formation of the group. He emphasized that this effort is not to divide up the water resources of the state or to make new water rights. His comments focused on the need for this group to assist rural Arizona with the identification of goals and tools for the management and development of water resources that can be implemented at the local level. Funding assistance programs also need to be identified as a part of the process.

Alan Stephens, Chief of Staff for the Governor, reiterated Herb Guenther's remarks regarding the desire to establish some sort of funding mechanism to assist in the planning and development of water resources in rural Arizona. He emphasized the need for this group to set aside their personal agendas and try to be as constructive as possible and offer potential solutions for addressing a framework of solutions for rural Arizona. The process will be open and inclusive and hopefully address the needs of all areas.

II. Purpose & Need for an Advisory Group

Tom Carr provided an overview of the purpose and need for the group. Tom cited examples from the past decade when Arizona formed numerous task forces, groups, and committees to address specific water issues. In the past Arizona, has developed water management policy by consensus. Tom cited three examples where the State stakeholders have come together to address a specific emerging issue. The first example cited was the recent Indian Firming Committee, which resulted in the development and passage of legislation. The second example was the Governor's Drought Task Force, which resulted in legislation requiring water system, drought and conservation planning. The last example cited was the Governor's Groundwater Commission of 2000, which was formed to review the effectiveness of the Groundwater Code.

Tom stated that numerous communities and partnerships have formed to address the immediate water needs of a region or community. Some are actually conducting long range water resources planning from ten to 40 years into the future.

Examples where this planning are being completed include the Upper San Pedro Partnership (USPP), the Coconino Plateau Water Advisory Council (WAC), and the Payson, Pine and Strawberry area. The USPP is near to completing an appraisal study with the assistance of the Bureau of Reclamation, which has identified several alternatives for addressing the future water needs of the region. Cochise County has recently passed an ordinance in an attempt to address growth and water supplies within Cochise County. This effort has been partly the result of the Federal Government requiring the area to reach sustainability within the Upper San Pedro River Basin.

The Coconino Plateau PWAC has identified the need for additional supplies within the next 20 to 30 years and is near to completing an appraisal study, with the assistance from the Bureau of Reclamation, that has identified alternatives to offset the predicted shortages. This study also has identified the costs associated with each solution.

The Payson, Pine and Strawberry area has been experiencing periodic shortages over the last ten years or more and as a result has enacted some of the most aggressive conservation requirements in the State. This area is currently seeking to find away to import water from Blue Ridge Reservoir.

Tom also identified the Colorado River, Mohave County and the Benson area as additional examples where water issues will need to be addressed. Communities such as Lake Havasu and Bullhead City, which rely exclusively on the Colorado River, are limited in their ability to grow due to the unavailability of Colorado River water. Numerous subdivisions within Mohave County are being proposed in anticipation of the new Colorado River bypass bridge and the State lacks data to make sound decisions about the availability of water. Benson is another area where a tremendous amount of growth is occurring and the knowledge of the groundwater system is not sufficient for long range planning.

Several other communities are actively planning for their water resources future. Each of the communities will be encouraged to present a full description of their issues and problems at later meetings.

Tom also touched on some of the activities, which will help ADWR in making better decisions on the availability of water in the future, such as the passage of HB2277. HB2277 requires all water providers to report their water use to ADWR annually. In addition, all community water systems will need to create a plan to meet future demand and to mitigate drought impacts. The Department has also initiated comprehensive groundwater studies funded by the ADWR Rural Watershed Initiative for the areas of Mohave County, Benson and Willcox/Douglas.

ADWR has been meeting with legislators outside the three big AMAs and the Governor's office about non-AMA water issues, problems and concerns. A summary of those discussions was included in the packet. (This document is located on ADWR's website <http://www.azwater.gov/dwr/default.htm> under Hot Topics, Statewide Water Advisory Group)

In conclusion every area has different needs. For some it is water supply development, which may include importation. If the need is water supply development, the issue is how to fund the water supply development. For some areas it may be the level of water management desired. The level of management may be confined to managing an imported supply or maybe just managing the delivery of water. Other areas may desire a more intensive management effort to address recharge and recovery, conservation requirements, etc. The purpose of this effort is to explore water resources management and development and to step back and see what water development tools are available or needed.

III. Water Issues, Problems and Concerns

Herb Dishlip (Facilitator) presented an overview of how the process will work. He emphasized the need for this group to engage in an interactive dialog between the Advisory Group members. The members of the Advisory Group were selected for their diversity of water knowledge and it is hoped that that the members will learn from each other about the diversity of issues confronting rural Arizona communities.

To begin scoping the work of the Advisory Group, Herb asked the members to take a few minutes to make three lists. The first list identified the members' perceived water related issues. The second list identified the resource institutions that need to be preserved. The third list identifies how to fix the problem.

Each member was then asked to present their lists to the group.

Colonel Hunter, Ft. Huachuca

Perceived water issues:

1. Growth in communities not managed in relation to water. Local governments lack tools to manage.
2. Environmental law disproportionately impact federal entities (Endangered Species Act, Sec 7- interdependent and interrelated impacts)

Water institutions to preserve:

1. Regional community based groups. ADWR and ADEQ critical, need more authority and synergy between the two

What you would do to fix problem:

1. Address mitigation prior to impact rather than after the impact occurs. This is much cheaper, often easier, and shifts burden to the entity creating the water impact, not local government.

David Snider; Pinal County

Perceived water issues:

1. Inability to guarantee or plan sustainable growth outside of AMAs
2. Water resources in non-AMA are already appropriated
3. There is an assumption that there is always another bucket of water, which may not be true
4. Lack of incentives to maximize use of effluent
5. "Growth to Water not Water to Growth"
6. Pressure to eliminate agriculture

Water institutions to preserve:

1. Protect/develop local regional water augmentation entities

What you would do to fix problem:

1. Create/develop partnership local and regional
2. Offer more empowerment to ADWR (data collection, planning and technical assistance)

Richard Underwood, Southern Arizona Home Builders Association

Perceived water issues:

1. Regional self-determination is needed
2. Water conservation is needed (think "out of the box" solutions)

Water institutions to preserve:

1. Preserve AMA's
2. Preserve property rights

What you would do to fix problem:

1. Emphasize conservation efforts (Irvine CA has strong conservation program)
2. Create builder/developer partnerships with local communities (community facility development districts). Establish bond sales ahead of time to build infrastructure.

Bill Garfield, Arizona Water Company

Perceived water issues:

1. Lack of authority to deal with water issues, primarily development and resource management, at a local level outside of AMAs
2. Increased competition for water supplies could lead to demands that exceed supplies at least for certain regions or locations in the state

3. Lack of determination of interconnect (lawful right) between groundwater and surface water, i.e., what water belongs to who and how does the use of groundwater impact the surface water right holders
4. Lack of Statewide oversight or coordination (Probably by ADWR) between local jurisdictions concerning water issues (i.e., Local control cannot operate independently of each other since their decisions affect each other, and a state level oversight or coordination is necessary to ensure that such local decisions do not negatively impact others as a result)
5. Lack of comprehensive oversight of recharge, reuse and discharges of effluent on potable groundwater supplies
6. Lack of funding mechanisms

What institutions need to preserved?

1. ADWR needs to be preserved as an institution and its regulatory role on water needs to be expanded. Do not defer water regulatory authority to local government typically reserved for ADWR.
2. Local control over planning and how to deal effectively with development needs to be preserved

What would you do to fix the problem(s)?

1. Better coordination and cooperation between water providers and local government in the form more aptly described as a partnership to effectively deal with local and regional water issues
2. Better coordination between various state agencies and local government on water issues

Buzz Walker, City of Payson

Perceived water issues:

1. Exempt wells within water provider areas; there are too many and no controls on such wells
2. Growth without adequate water supplies
3. Inability to develop municipal water supplies on public lands

Water institutions to preserve:

1. Preserve new and improved ADWR
2. Preserve local decision making where appropriate
3. Preserve right to use groundwater responsibly if no other alternative supply available

What you would do to fix problem:

1. State assistance to develop water supplies where State interest is defined
2. Guaranteed long-term, low interest rate funding for water development
3. Give municipalities and counties authority to manage growth relative to water supply
4. Use enhanced water conservation
5. Outreach by major agencies such as SRP to assist rural communities
6. Maximize use of effluent/higher salinity water

Tom Farley, Arizona Association of Realtors

Perceived water issues:

1. Need pipeline funding for communities to get water

Water institutions to preserve:

1. Preserve safe-yield

What you would do to fix problem:

1. Legislation to create fund for pipeline

Bas Aja, Cattlemen's Association

Perceived water issues:

1. Too much water in some areas, not enough water in other areas, and no ability to move water to the area of need
2. Disconnect between rural Arizona and watershed management
3. No current market structure for those that have water to move water to those who need it (intrabasin transfers)
4. Unsettled Indian water right claims and adjudication
5. Poor quality water

Water institutions to preserve:

1. Preserve AMA structures that work well
2. Preserve property rights

What you would do to fix problem:

1. Enhance potential augmentation through watershed management (pursue business and develop tools that enhances watershed management)
2. Transfer of development rights
3. Develop a water use limitation marketing program as a mitigation tool for development

Ray Benally, Navajo Nation

Perceived water issues:

1. Funding is needed for potable water systems development
2. Water rights settlement is needed
3. Impacts from future developments is a concern

Water institutions to preserve:

1. Reserved groundwater rights

What you would do to fix the problem:

1. Growth to water rather than water to growth

Tom Buschatzke, City of Phoenix

Perceived water issues:

1. Drought planning with 20 to 30 planning horizon is needed throughout Arizona.
2. Impacts on streams from well pumping are not quantified, but may be significant
3. Contaminated groundwater needs to be cleaned up rather than contained
4. Compliance programs (ESA) may potentially jeopardize water development programs

Water institutions to preserve:

1. Maintain surface water appropriations certainty
2. Assured water supply program
3. Enforceable water conservation benchmarks within AMAs

What you would do to fix problem:

1. Empower local government to control growth and destiny
2. Protect streamflows
3. Enhance data collection for both ground and surface water
4. Statewide conservation fund to mitigate impacts

Marsha Arzberger, State Senator

Perceived water issues:

1. Lack of local structure to address water issues and no connection to ADWR and other local groups
2. Lack of communication

Water institutions to preserve:

1. Safe yield goal based on wet water
2. Sustainable balance with recharge

What you would do to fix problem:

1. All basins should control growth and live within sustainability

Pete Byers, Mohave County Board of Supervisor

Perceived water issues:

1. Unmetered wells
2. Uncontrolled lot splits
3. Lack of science, need funding source

Water institutions to preserve:

1. Planning at local level
2. Property rights

What you would do to fix problem:

1. Statewide funding source to enhance recharge of aquifers

Mike Brown, (Alternate) Apache County

Perceived water issues:

1. Misinformation about the reality of water quantities in different areas of the state
2. Uncontrolled lot splits
3. Lack of disclosure about water
4. Lack of uncertainty created by pending Indian water right claims

Water institutions to preserve:

1. Maintain local control of water sheds
2. Protect aquifers from inter-basin transfers

What you would do to fix problem:

1. Watershed management on a local level
2. Increase funding for ADWR for water adjudications and to study water resources
3. Encourage municipalities to obtain alternate supplies of water

Bob Strain, Mayor Pro Tem Sierra Vista, Chairman Upper San Pedro Partnership

Perceived water issues:

1. Limited ability to utilize otherwise adequate groundwater supplies due to potential surface water impacts on San Pedro River and Federal mandate to reach sustainability by 2011
2. Failure to achieve sustainability goal may impact Ft. Huachuca a major employer in Cochise County and a \$1.5B contributor to the State economy

Water institutions to preserve:

1. Regional efforts exemplified by the Upper San Pedro Partnership
2. AMA tools that could find selective and appropriate local or regional applicability

3. Arizona Department of Water Resources, Arizona Department of Environmental Quality, Arizona Water Institute, USDA/ARS SW Watershed Research Center, U of A Water Resources Research Center

What you would do to fix the problem:

1. Obtain legislative authority to manage local efforts, locally
2. Strengthen development and construction code of local jurisdictions
3. Adopt certain AMA practices as they might apply to regional water issues
4. Gain public acceptance of the idea of a regional water management authority
5. Gain public acknowledgement that groundwater is a finite resource and should be valued as such

Steve Owens, Director Arizona Dept of Environmental Quality

Perceived water issues:

1. Aging infrastructure
2. Lack of funding
3. Inability to afford low interest loans
4. Colorado River water quality

Water institutions to preserve:

1. ADWR and ADEQ
2. Role of state agencies in plat approval for new subdivisions

What you would do to fix the problem:

1. Clean up of waters not currently considered to be useable
2. Better funding beyond low-interest loans
3. More funding for water quality clean-up
4. Protect Colorado River water quality

Steve Olea, Arizona Corporation Commission

Perceived water issues:

1. Need additional knowledge about location of water resources
2. Additional coordination between state agencies and then with local agencies
3. Exempt wells
4. Lack of adequate water management statewide

Water institutions to preserve:

1. ADWR and AMA goals
2. Property rights- not just current property owner, but also future owner(s)

What you would do to fix the problem:

1. Intensively educate people that water is a finite resource
2. Require all developments (residential, industrial, commercial) to prove the availability of a long-term water supply
3. Need more ADWR staff

Joe Sigg, Arizona Farm Bureau

Perceived water issues:

1. Lack of water information
2. Watershed management

Water institutions to preserve:

1. Property rights

What you would do to fix problem:

1. Pass

Mary Dahl, Santa Cruz County Board of Supervisors

Perceived water issues:

1. Growth
2. Lot splits
3. Exempt wells
4. Groundwater pumping impacts from Mexico
5. Lack of County Authority related to water
6. Perceived difficulty in establishing a private water company resulting in the creation of dry-lot subdivisions
7. Water adequacy outside AMAs

Water institutions to preserve:

1. Everything that works
2. Riparian corridors

What you would do to fix problem:

1. Funding to improve watershed
2. Prove water adequacy for all development including commercial and industrial
3. Annual reporting for all wells
4. Mandatory water conservation
5. Improve water adequacy program
6. Maximize effluent reuse
7. Give counties more authority to manage water resources
8. Enhance the viability of small water systems

Jay Howe, City of Safford

Perceived water issues:

1. Water quality issues/standards
2. State trust land disposal process give municipalities priority
3. Funding

Water institutions to preserve:

1. Integrity of watershed
2. Quality of life
3. "Critical Habitat Areas for Humans" meaning more consideration given to the Human element when defining critical habitat and the restrictions that accompany this and other designations that are created to preserve environment and species

What you would do to fix problem:

1. Mandate adequate water supply for new developments
2. Funding assistance for treating impaired waters
3. Mandate beneficial reuse

Andy Laurenzi, Sonoran Institute

Perceived water issues:

1. Sustainable use of water resources. Key barriers to sustainable use of water are:
 - inadequate linkages between land use decisions and water use

- legal disconnect between groundwater and surface water
- meeting current and future demands without impairing our rivers and streams

Water institutions to preserve:

1. Surface water rights system
2. AMA system
3. Community based partnerships (i.e. USPP and VWA)

What you would do to fix problem:

1. Enact water management legislation outside of AMAs that establishes:
 - new regulatory authority to manage water to meet the current and future needs of people and nature with appropriate authority vested at state and local levels which is linked to an external, regional water supply institution that is financed and governed equitably

Mark Stratton, Metropolitan Water District

Perceived water issues:

1. Adequacy of water statewide before development can occur
2. Lack of water data
3. Regulatory uncertainty of surface and groundwater interaction
4. Lack of partnerships between water providers and local jurisdictions
5. Exempt wells within service areas

Water institutions to preserve:

1. Groundwater code, updated and expanded
2. Local control

What you would do to fix problem:

1. Regional districts with local control
2. Insure adequate funding
3. Collection and dissemination of water data
4. Identification of groundwater surface water connection
5. Protect existing water rights
6. Better communication between State and local entities

Rick Lavis, Arizona Cotton Growers Association

Perceived water issues;

1. Different water consumption needs by crop

Water institutions to preserve:

1. Maintain ground rules in AMA

What you would do to fix problem:

1. Designate 500,000 acres for permanent agriculture
2. Don't put agriculture out of business

Due to time limitations, only about half of the members were able to go share their thoughts. The thoughts and perceptions of the rest of the members will be heard at the next meeting.

IV. Administrative Organization for the Group

This agenda item will be more fully discussed at the next meeting.

Herb Dishlip concluded the meeting by presenting a brief summary of what is envisioned for the remaining meetings. At the next meeting the remainder of the members will share their perceptions.

Herb Dishlip and ADWR will also request individuals to begin making presentations to the group to provide more details about the specific issues, confronting regions around the State. This should take about two meetings. Upon completion of this exercise the group should have a fairly good idea in general terms of the issues confronting rural Arizona and possible solutions. The group will then break into smaller work groups to begin evaluating the issues and possible solutions in more detail. The group would then come back as a whole to discuss the issues and solutions with the idea of focusing on the solutions. The ultimate goal is to develop a consensus recommendation or recommendations. The group anticipates having seven to eight meetings over the next few months.

The next meeting is set for May 19, from 10:00 a.m. to 2:00 p.m. at ADWR in the same conference room.

Herb Guenther then requested each member to designate an alternate and encourage them to attend as well due to the intensity of this effort.

V. Call to the Public

Herb Guenther then asked if there was any comment from the public. Carol Klopatek from the Ft. McDowell Yavapai Nation addressed the group. Ms. Klopatek made a formal request on behalf of the Ft. McDowell Yavapai Nation to become a member of SWAG. She stated the Nation is experiencing all of the same issues as everyone at the table and the Nation has developed conservation plans. Ms. Klopatek provided a written request signed by the Nation requesting membership on SWAG.

Tom Carr stated that as the discussions of SWAG move forward, ADWR staff would be made available to travel around the State to make presentations on the progress of the group.